

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 SS-15 SP-02 PRS-01 PA-01 L-03
CIAE-00 INR-07 NSAE-00 /048 W
-----041068 020932Z /23
P 020840Z AUG 77
FM AMEMBASSY KUWAIT
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC PRIORITY 8664

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USDOC FOR BIC/CAGNE FOR PETER HALE

STATE FOR NEA/ARP

E.O. 11652: N/A
TAGS: PINT, BDIS, KU
SUBJECT: CROWN PRINCE'S TRADE COMPLAINT RE MOTOR HOME
CONTINUES

REF: (A) USDOC 10114, (B) KUWAIT 2899.

SUMMARY: TRADE DISPUTE BETWEEN KUWAIT'S CROWN PRINCE
AND U.S. MIDEAST CORPORATION (USMC) OVER DEFECTIVE MOTOR
HOME SEEMS TO HAVE REACHED IMPASSE OVER QUESTION OF WHO PAYRS
FOR REPAIRS TO MAKE HOME USABLE. REQUEST USDOC CONTACT
USMC'S JOHAR TO SEE IF THERE IS ANY WAY TO RESOLVE THIS
POTENTIALLY EMBARRASSING COMPLAINT, PERHAPS THROUGH SOME
SORT OF COMPROMISE RE-INVOLVING SHARING OF COSTS OF NEW
MOTOR HOME CHASSIS AND ITS SHIPMENT TO KUWAIT. END SUMMARY.

1. THE TRADE COMPLAINT OF THE CROWN PRINCE AND ACTING
AMIR, SHAIKH JABER AL-AHMAD AL-JABER, CONCERNING AN
APPARENTLY TECHNICALLY DEFECTIVE MOTOR HOME SOLD TO HIM BY
MOHAMMED JOHAR, PRESIDENT OF U.S. MIDEAST CORPORATION,
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SEEMS TO HAVE REACHED AN IMPASSE.

2. AN ENGINEER, LEGRAND ROY VREEKEN, SENT BY JOHAR TO
KUWAIT TO INSPECT THE MOTOR HOME, MADE THE DETERMINATION
THAT THE CHASSIS WAS INADEQUATE FOR THE WEIGHT IT MUST
CARRY, THAT THE MOTOR HOME COULD BARELY TURN LEFT, IF
DRIVEN WOULD MOST CERTAINLY TURN OVER, AND THAT THE

ONLY MEANS OF ACHIEVING ADEQUATE PERFORMANCE WOULD BE TO REPLACE THE 18,000 LBS. CHASSIS WITH A 25,000 LBS. G.V.M. CUSTOM CHASSIS. THE ENGINEER FURTHER SUGGESTED THAT THE NEW CHASSIS BE SHIPPED TO KUWAIT WHERE IT WOULD BE FITTED WITH THE PRESENT CAB WITH THE ASSISTANCE OF TWO SPECIALISTS WITH NECESSARY TOOLS SENT FROM THE U.S. CROWN PRINCE'S REPRESENTATIVE ESSAT JAAFAR REPLIED THAT U.S. MIDEAST CORPORATION WAS WELCOME TO DO SO BUT AT ITS EXPENSE. TELEXES EXCHANGED SINCE RECEIPT OF REF A INDICATE BOTH SIDES AGREED THAT SHIPMENT OF THE NEW CHASSIS TO KUWAIT WAS THE MOST EXPEDITIOUS MEANS OF ACHIEVING ADEQUATE PERFORMANCE. HOWEVER, THERE WAS NO AGREEMENT ON THE RESPONSIBILITY FOR PAYMENT OF THE ADDITIONAL COSTS THAT WOULD BE INVOLVED.

3. FOLLOWING IS A SUMMARY OF ADDITIONAL INFORMATION ON THIS MATTER GLEANED FROM COPIES OF THE TELEXES EXCHANGED BETWEEN MOHAMMED JOHAR AND JAAFAR. JAAFAR ORDERED A MOTOR HOME FOR THE CROWN PRINCE THROUGH JOHAR OF THE U.S. MIDEAST CORPORATION ON APRIL 18, 1976. WHILE THE VEHICLE WAS BEING BUILT BY CONDOR MOTOR CO., THE SPECIFICATIONS WERE ALTERED BY CROWN PRINCE ON SEVERAL OCCASIONS. JOHAR WENT AHEAD WITH THESE MODIFICATIONS, AT NO TIME MENTIONING THE NEED FOR A HEAVIER CHASSIS DUE TO THE CHANGE IN SPECIFICATIONS. IN ONE CABLE FROM JOHAR TO JAAFAR, JOHAR REPORTED HE HAD DRIVEN THE MOTOR HOME WITH LIMITED OFFICIAL USE

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NO MENTION MADE OF ANY PROBLEMS WITH STEERING OR ROAD-WORTHINESS. SOON AFTER ARRIVAL OF MOTOR HOME IN KUWAIT, THE DEFECTS WERE NOTED AND REPORTED TO JOHAR. JOHAR'S PRESENT POSITION IS THAT THE CHANGES IN SPECIFICATIONS CAUSED THE DEFECTS, THEREFORE THE CROWN PRINCE OR JAAFAR SHOULD PAY FOR ALL CHANGES, PLUS SHIPPING COSTS. JAAFAR MAINTAINS THAT JOHAR SENT NON-CONFORMING GOODS AND MUST RECTIFY THE SITUATION. ALTHOUGH JAAFAR SUBMITTED COPIES OF THE TELEX TRAFFIC TO HIS LAWYER IN CALIFORNIA, HE IS AVERSE TO A COURT BATTLE SINCE IT WOULD INVOLVE THE CROWN PRINCE IN LITIGATION WHICH COULD RESULT IN EMBARRASSING PUBLICITY FOR HIM.

4. EMBOFF WAS INFORMED BY JAAFAR THAT JOHAR HAD ATTEMPTED TO CONTACT THE CROWN PRINCE DIRECTLY IN AN EFFORT TO INDUCE HIM INTO PAYING FOR THE ADDITIONAL COSTS NECESSARY TO CORRECT THE MOTOR HOME'S DEFICIENCIES, BUT TO NO AVAIL.

5. COMMENT. JAAFAR GAVE EMBOFF IMPRESSION THAT THE CROWN PRINCE IS UNHAPPY ABOUT THE PRESENT TURN OF EVENTS AND THAT AN UNSATISFACTORY CONCLUSION TO THE

AFFAIR WOULD TEND TO SOUR HIS GENERALLY FAVORABLE
OUTLOOK ON EMBASSY EFFORTS AND AMERICAN BUSINESS. JAAFAR
INFORMED EMBOFF THAT HE HAS APPRISED CROWN PRINCE OF
EMBASSY'S ASSISTANCE TO DATE AND OF HIS BELIEF THAT
EMBASSY EFFORTS WOULD DEFINITELY HELP LEAD TO THE AFFAIR'S
SUCCESSFUL CONCLUSION. THE CROWN PRINCE, ALTHOUGH
DUBIOUS, HAS ADOPTED A POSTURE OF "WAIT AND SEE". END
COMMENT.

6. ACTION REQUESTED: WOULD APPRECIATE USDOC'S CONTACTING
JOHAR TO SEE IF THERE IS ANY WAY TO RESOLVE THIS
POTENTIALLY EMBARRASING COMPLAINT, PERHAPS THROUGH
SOME SORT OF COMPROMISE INVOLVING SHARING OF COSTS OF
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE COMPLAINTS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT04295
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770276-0255
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197708107/aaaadmze.tel
Line Count: 137
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 74e79e4f-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 KUWAIT 2899
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1421507
Secure: OPEN
Status: NATIVE
Subject: CROWN PRINCE'S TRADE COMPLAINT RE MOTOR HOME CONTINUES
TAGS: PINT, BDIS, KU, CONDOR MOTOR CO, US MIDEAST CORP, (AL-JABER, JABER AL-AHMAD)
To: COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/74e79e4f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009